

he purchases his stock of goods; he speculates upon the probable needs and tastes (their kind and amount) of his future customers, in regulating the extent and nature of the goods he shall buy; and if he considers that the prices of the commodities in which he deals are likely to increase, he probably supplies himself with a larger quantity than would otherwise be his practice, in the hope of profiting by the anticipated rise. This speculation is perfectly legitimate, and forms the reasonable reward, as compared with his rivals who may not similarly act, of wider and more competent observation which he has trained himself to exercise, and of greater foresight and courage of enterprise. By employing his special knowledge, which he has been careful to enlarge and refine, and laying in a larger stock than usual, he is distinctly speculating (not on mere chance, however, but on a weighing of chances), upon an increase in values and consequent profit, while he is also liable, if adverse events occur, to sustain a heavier loss. Here, then, definitely appears the element of speculation in the future; but what sane and just man can, even in the faintest degree, associate the venture with gambling?

Consider, further, the position of a manufacturer whose business is the conversion of raw materials into finished products. Let this manufacturer be a type of the honourable and energetic men of enterprise who have always formed the justified boast of England. If, utilising his ripened experience and judgment, he can purchase his materials—cotton, wool, or iron—at a reduced price, the completed goods can be manufactured at a diminished cost, and thus command a readier and wider sale—appealing, as they will do, by their cheapness to a larger market. The supply of materials which he buys will be greater or more restricted according to his practised estimate of future prices (or speculative forecast; of the future), and if he feel reasonably assured, on a careful computation of the prospects, that prices will advance, he obviously contracts more extensive purchases than

he would have done had this anticipation not been suggested by his specialised skill. Should values increase he realises a superior rate of profit than do his competitors, who, gifted with less natural and acquired acumen, simply laid in a sufficient stock for ordinary demands, and are